

**Village of Salado
Salado Municipal Building
301 North Stagecoach Road
Salado, Texas
Minutes of Regular Meeting of Board of Aldermen
August 15, 2019 at 6:30 p.m.**

The Board of Aldermen meeting was called to order at 6:30 p.m. by Mayor Skip Blancett.

Alderman Michael Coggin gave the Invocation and the Board of Aldermen led the Pledge of Allegiance to the United States and Texas flags.

Board Members Present: Mayor Skip Blancett, Mayor Pro-tem Frank Coachman, and Aldermen Rodney Bell, Amber Preston Dankert, John Cole, and Michael Coggin.

Staff Present: Village Administrator Don Ferguson

1. Citizens Communications

Gayle Blancett of 2513 Hester Way spoke of the special nature of Salado, its narrow, meandering streets, and long-standing common knowledge that trailers, boats, and RVs could not be parked permanently in driveways. She felt that short-term parking, such as while preparing or returning from a trip, is not a problem and tolerable for neighbors. Regarding golf carts, Mrs. Blancett spoke of Salado as a golf course community that needs consistent and enforceable guidelines and regulations to protect us from the bad judgment and actions of others. She stated these guidelines need to be as clear and lenient as possible. She expressed concerns that without such consistency, streets would be unsafe, neighbors would be unhappy, and our village would no longer be so special.

2. Consent Agenda

- A. Approval of minutes of the Regular Board of Aldermen meeting of August 1, 2019
- B. Approval of the July 2019 Financial Statements for the Village of Salado

Alderman Bell moved to approve the Consent Agenda, as presented. Mayor Pro-tem Coachman seconded.

Discussion addressed Alderman Cole's question on expenditures for the newly created School Resource Officer (SRO) position, which Village Administrator Ferguson advised will be included in the Salado Police Department's budget as an additional patrol officer expense, and will be reflected in the year-end budget amendment for any costs incurred this fiscal year.

Motion carried on a vote of 5-0.

3. Village Administrator's Report

- Wastewater Project Update

Village Administrator Ferguson reported a filter system for the Royal Street lift station has been ordered to address some periodic odor issues. He advised the \$1,500 cost for the system will be built into construction costs. He reported the Village has received its final \$101,000 installment on the EDA grant. He said a leaking valve was discovered on the low pressure line near the intersection of Thomas Arnold Road and Main Street, which was believed to have occurred due to heavy equipment associated with the Main Street Improvement Project driving over the valve assembly. He noted the contractor was notified and the leak was rapidly repaired. He advised that the process of connecting properties to the wastewater system continues and cost estimates have been received on service extensions to various properties on the both the east and west sides of I-35.

- Main Street Improvement Project

Village Administrator Ferguson reported crews are installing drainage piping on the east side of Main Street just south of Blacksmith Street. He said very little rock has been encountered north of the Main Street bridge. He noted decorative lights are soon to be installed on both sides of Main Street. Plans are to complete installation of drainage pipes, sidewalks, and lighting on Main Street from Stagecoach Inn to Rock Creek Drive by late December. He noted that a meeting is scheduled to discuss plans to minimize the project's impact on Christmas Stroll, including putting construction on hold and relocating equipment on Stroll days. In response to TxDOT's inquiry regarding the Village's possible takeover of Main Street, he advised that a workshop item is planned for the Board's agenda next month to discuss concerns associated with the Main Street bridge and ongoing maintenance.

- Active Shooter Community Response Training

Village Administrator Ferguson reported the Salado Police Department has engaged a consultant to provide active shooter civilian response training on Monday, August 19th at 7:00 p.m. at the Salado Intermediate School, located at 560 Thomas Arnold Road. He said this is the first of several training sessions planned to educate citizens about what they can do to protect themselves during an active shooting event. It was noted that all Salado Police officers complete active shooter training coordinated with neighboring law enforcement agencies.

- Salado Police Department Staffing

No report was heard on this item.

- Board and Commission Vacancies

Village Administrator Ferguson reported only two (2) applications have been received to date in response to a public call for volunteers, which will be reissued via newspaper publication and the community notification system, with an extended August 30th deadline for application submittal. He noted there are four (4) vacancies on the Tourism Advisory Board, with three (3) of the four existing (4) members expressing interest in continued service. He spoke of six (6) vacancies on

the newly created Economic Development Advisory Board and two (2) vacancies on the Pace Park Advisory Board. He said applications are available at the Village's Municipal Building and on our website, with applicant interviews anticipated for the first Board meeting in September.

- Proposed Right-of-Way Abandonment

Village Administrator Ferguson reported on status of the so-called "Slivers" right-of-way abandonment (located between Royal Street and Salado Creek) requested by a property owner. He noted previous discussions on this issue resulting in the property owner's agreement to provide a current survey/title report. He reported that legal counsel has reviewed the updated survey and has determined that ownership of the subject property does not lie with the Village. As a result, the property owner has been notified that this item will not be brought back before the Board.

- Joint Board of Aldermen-Planning and Zoning Commission Workshop

Village Administrator Ferguson reported a joint workshop is scheduled for Thursday, August 29, 2019 at 5:30 p.m. for the purpose of hearing legal counsel's presentation on zoning laws and procedures. In addition, information will be presented on open meetings requirements for the Board and Commission. He noted that the joint meeting will be followed by a special meeting of the Board of Aldermen relating to the Sanctuary development agreement and imposition of wastewater impact fees.

- 2019 Christmas Stroll

Village Administrator Ferguson reported meetings are underway with organizers about event activities and associated street closures. He advised a letter will be sent to business owners regarding input on such possible closures in the interest of creating a safer environment that may include parking/shuttles/package delivery services for Stroll visitors. He stated that potential closures would only be for a portion of the event both weekends. He noted that any action taken will depend on survey results from the Chamber membership. He reported that additional lighting is planned for Stroll to enhance safety. He also noted that encouragement of uniform lighting of businesses is another topic of discussion being explored.

In addition, Village Administrator Ferguson reported receipt of the August 2019 sales tax check totaling \$57,332, representing June 2019 collections, an increase of 25 percent from the same period last year, and the largest August check in the Village's history. He noted fiscal year-to-date collections of \$490,000 are up about fifteen percent from the same period last year, and represent 132 percent of the sales tax collections budget. In response to misinformation that there is a decrease in spending and business activity, he noted that sales tax numbers continue to show a strong upward trend and cautioned against comparing Salado's statistics with surrounding cities.

Discussion addressed active shooter community response training details (sponsored by Salado Police Department at no charge to the public); qualification for TxDOT's off-system bridge program relating to bridge replacement; use of the community notification system for public information on board/commission vacancies; possible use of social media; and upcoming workshop meeting regarding the Sanctuary development agreement and possible executive session

to receive advice from legal counsel. Mayor Blancett spoke of the need to recruit volunteers to serve on the Village's boards/commissions.

4. Public Hearing and Possible Action

Hold a public hearing and consider possible action regarding the proposed replat of Salado Mills Phase II, a subdivision located on Stinnett Mill Road in the E-T-J of the Village of Salado. (*Development Services Director Chrissy Lee*)

Director Lee presented the replat to reduce the number of lots to 38 lots, which will allow the developer to proceed with development of the eleven (11) lots proposed for Phase III and maintain one (1) means of ingress/egress. She advised that the replat is also necessary to allow for construction of the road to the new Phase III and creation of drainage tracts. Public hearing notices and notification letters were sent to property owners within 200 feet of the subject property. She stated that 37 responses were received in support of the proposed replat and 4 responses in opposition. Written comments from three property owners received in opposition were presented to the Board prior to this meeting. She advised that engineers from the Village and Bell County found the proposed replat to be in compliance with the previously approved concept plan and with subdivision regulations. Ms. Lee cited State law and Village Code regarding subdivisions and stated that if all requirements are met by the developer the Board shall approve the replat.

Discussion addressed differences in statutory language regarding the terms *shall* or *may*; Planning and Zoning Commission discussion/action on this item and issues raised during its meeting (such as traffic control); the Village's inability to require parkland dedication for properties in the E-T-J; number of waivers requested by the developer to date; and timeframe for plat/replat approval/denial.

Monty Clark of Clark and Fuller Engineering spoke on behalf of the developer who was not able to attend tonight's meeting. He explained the replat request is due to the developer availing himself of the opportunity to purchase additional land subsequent to original plat approval.

Discussion addressed one-half acre minimum lot size; majority of lots sized larger than one-half acre; and neighborhood concerns raised at Planning and Zoning's meeting related to the 11 additional lots proposed for Phase III.

Mayor Blancett opened the public hearing at 7:23 p.m.

Charlene Hamilton of 1043 Ferguson Mill Road, owner of Lot 4, expressed concerns that Lot 10 is about to become a road. She spoke of her family's ownership history in Salado Mills and research on the developer's intentions. She said her lot was chosen for its north-south exposure and low traffic flow. She recalled meeting with developer Bear Rosamond to discuss details of the development and expressed concerns regarding below par communication with Mr. Rosamond. She also questioned why the HOA board was not formed within 60 days according to the by-laws, which called for three residents to sit on the board and attend monthly meetings. She felt this replat is disingenuous and that communications have been very poor among the HOA, residents, and the developer.

Merle Stalcup of 2025 Indian Trail expressed concerns regarding the number of waivers requested for this development and history of the developer's talks with previous city administration. He asked the Board to consider another route into the neighborhood so as not to harm the current residents.

Subdivision resident Ray Linder spoke on the location of his lot in relation to other residents, understood the developer's intentions to get the best lots, but said this replat was not known to residents. He suggested that the Board find a way to change "so that someone can't pull the wool over your eyes again." He spoke of his good fortune to have five acres next to him that will not be developed, but felt it is wrong to have a law "that allows a developer to do that to you, because it's your citizens are the ones that are getting hurt."

Linda Reynolds of 507 Santa Rosa spoke on previous Board actions allowing the developer certain variances that were approved under a different Board membership. Ms. Reynolds said she wanted the new Board members to be aware of the history and background with the developer, who she felt may have drainage issues with a different development on the south side of town that may negatively impact Mill Creek due to lack of green space.

There was brief discussion between Alderman Dankert and Ms. Lee regarding possible development of green space that may occur in Phase 5 of the development, which would be subject to review and approval of a construction plat at some point in the future. Mr. Clark stated his understanding that the plan was to have a second entrance to the subdivision in Phase 5. Village Administrator Ferguson cautioned against deliberations based on potential plans for future phases, as aldermen must act on what is before the Board at this time.

Charlene Hamilton spoke again on the lack of communication among residents and the developer regarding various changes they were not aware of and noted the developer has all of the residents' contact information. She said it would have been easy for Mr. Rosamond to tell residents that he wanted to put in a road they were not told about. She stated that it is going to be difficult for residents and the developer to live in the same neighborhood and hoped the Board would send a message that "this is not how we behave in Salado."

Mayor Blancett announced the second and third call for speakers. Hearing none, Mayor Blancett closed the public hearing at 7:40 p.m.

Alderman Cole moved to approve the proposed replat, as presented, and felt the Board has no choice, as the developer has complied with regulations. Mayor Pro-tem Coachman seconded.

Ms. Lee advised that the Planning and Zoning Commission held a public hearing and voted unanimously to recommend approval of the replat.

Alderman Dankert said everybody realizes that the Board would have to vote affirmatively if required by State law to do so. However, she wanted to convey to the developer and engineer that she is tired of seeing waivers allowed for this development. She noted this is not Mr. Rosamond's first development and felt that in Salado a person's word should mean something. She stated the

developer needs to pay attention to the people who purchased very expensive homes from him with the expectation that he would keep his word.

Mayor Pro-tem Coachman stated the developer made promises that were not kept, as pointed out by Alderman Dankert in her previous comments. He said he is not happy with the developer, nor is he happy about being forced to vote for this replat request because State law says that he has to. Mayor Pro-tem Coachman said he agreed with residents that this is not the way to treat people in Salado.

Hearing no further discussion, Village Administrator Ferguson reminded that if any aldermen are planning to abstain from voting, they need to provide an explanation for abstention. There was brief discussion of proving compliance and future opportunities for discussion if the developer comes back in the future to request any variances, as well as the developer's need to improve communications with residents.

Alderman Bell stated his intention to vote against this item, as he does not trust the developer. He agreed with Alderman Dankert's comments and hoped that homeowners will seek any available remedies. He said his vote will be his choice and did not like feeling forced to vote for this item due to State law.

Alderman Coggin said the Board has the option of taking no action at all and stated his preference to vote against rather than abstain from voting.

Alderman Cole said people need to keep in mind that development and expansion are often not liked and generate complaints. He recognized that part of the problem is the general dislike for the developer whom he acknowledged has problems with the number of waivers and communication issues.

Alderman Bell wanted to clarify that his issue is with the developer only, and not with the Planning and Zoning Commission, which made its decision based on what was presented to them.

There was brief discussion between Alderman Dankert and Village Administrator Ferguson on possible continuance of this item in order to receive legal guidance before the Board takes action. In response to Ms. Lee's review of prior Board actions on the concept plan, Alderman Bell stated that the previous Board that approved those plans, is now 60 percent different in its membership.

Hearing no further discussion, Mayor Blancett called for a vote. Motion carried on a vote of 3-2. Aldermen Bell and Coggin voted against.

Mayor Blancett favored having a meeting with the developer upon his return to Salado.

5. Discussion and Possible Action

- A. Discuss and consider possible action regarding a proposed concept plan revision and associated waivers for Mill Creek Springs, a subdivision located near the intersection of

Blackberry Road and Royal Street in the E-T-J of the Village of Salado. (*Development Services Director Chrissy Lee*)

Director Lee provided background information on the concept plan phases, reviewed a revision relating to use of grass-lined channels to convey water through the subdivision, and a waiver from use of the minor collector standard, specifically, requesting that drainage requirements for the collector grade roadway be that of a residential street, with a maximum depth of water no deeper than 2 inches. It was noted that all lots will be a minimum of one-half acre and served by on-site septic facilities.

Alderman Dankert favored a long-term maintenance agreement for the grass-lined channels between the homeowners association and Bell County, as this subdivision is in the Village's E-T-J. In response to Mayor Pro-tem Coachman, Ms. Lee advised that Bell County does not review concept plans, but does review the construction plat.

Hearing no further discussion, Mayor Blancett entertained a motion. Mayor Pro-tem Coachman moved to approve the concept plan revision and associated waivers, as presented. Alderman Cole seconded.

Discussion addressed the history of variances for this development, confirmed no prior variances or waivers were granted for Phase X, and established that the concept plan revisions remain in effect if property ownership changes. Alderman Dankert expressed concerns relating to drainage, if this concept plan revision is approved. Village Administrator Ferguson said flooding concerns are carefully looked at and noted there is an alternative channel, if needed. Ms. Lee stated that the Village engineer was comfortable with the waiver.

Mayor Blancett called for a vote. Motion carried on a vote of 5-0.

- B. Discuss and consider possible action regarding the proposed construction plans and construction plat for Phase I of the Salado Sanctuary development located in the 600 block of Royal Street within the corporate limits of the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson reviewed Phase I plans to develop approximately 190 residential lots in accordance with an existing development agreement. He advised the plans and plat have been reviewed by Village staff and engineers and are found to be in compliance with the development agreement and Village ordinances. He noted that the agreement includes several variances. He said the original submission involved an intersection at Royal Street that was not conducive to traffic safety. As a result of these safety concerns, the developer agreed to submit a redevelopment plan for a T-intersection based on topography and design that must be approved by the Village before any construction begins on the intersection. He also noted concerns relating to a secondary exit, including an emergency all-weather exit. He said that plans call for the temporary construction road off of FM 2268 to eventually be repaved with curb and gutter in Phase II as a secondary entrance to the subdivision. The developer has agreed to pave and gate the temporary road in Phase I, and to fully develop with curbs and gutters in Phase II. He recommended approval with the following 3 contingencies:

1. The developer will not start construction on the entrance off Royal Street until such time as a final T-intersection design is reviewed and approved by the Village.
2. The developer will modify the construction plans for Phase I to show that that secondary road to FM 2268 is paved.
3. No homes in Phase I of the subdivision will be occupied until such time as the secondary roadway is paved. It can be used as a temporary construction entrance, as the development has TxDOT approval to do that right now, but the developer is encouraged them to pave the roadway.

He advised that the Village and Sanctuary engineers are present to answer any questions.

Jerry Feagans of Matkin Hoover Engineering stressed the design for the FM 2268 entrance will be fully approved by TxDOT. He noted it will be designed, constructed, and approved to include what is recommended in the traffic impact analysis (TIA) that is currently under review by TxDOT.

Discussion addressed anticipated traffic impact off Royal entrance versus FM 2268; TIA performed by Pape-Dawson Engineers; resubmission to TxDOT requiring an updated TIA as part of approval process for redesign; expected date to break ground on September 15th; general contractor to be used (Novak Construction of Georgetown); confirmation that no homes will be built in this gated subdivision until secondary access road is completed; 3-5 year build-out for construction of homes in Phase I; all construction traffic routes through FM 2268; fencing/buffering; completion of annexation/zoning; and minimum lot size requirements per development agreement.

Alderman Cole moved to approve the item, as presented. Alderman Dankert seconded.

Mayor Pro-tem Coachman proposed an amendment to the motion. Alderman Dankert withdrew her second. Mayor Pro-tem Coachman moved to approve the construction plans and construction plat for Phase I of the Salado Sanctuary development, as presented, including the following contingencies: 1) Royal Street intersection engineering, design, and approval be completed; 2) that the FM 2268 entrance be engineered, designed, and approved; and 3) that both the FM 2268 and Royal Street entrances be paved prior to any occupancy within the subdivision and that FM 2268 will be the only entrance used for construction activities. Alderman Dankert seconded.

Discussion clarified motion language as follows: plans must be submitted and approved prior to any construction of the redesign of Royal Street; construction plans be amended to show redesign of Royal Street entrance; the secondary road to FM 2268 will be paved; no occupancy of any home shall occur until both the FM 2268 road is paved and until the Royal Street intersection is completed; and all construction traffic relating to the build-out of Phase I will utilize access from FM 2268, not Royal Street.

Alderman Coggin asked how the Village can consider action on this huge development before the Minimum Lot Size Task Force has finished its work. Discussion established that this development's concept plan was approved as part of the Sanctuary's planned development agreement. Alderman Coggin felt that approval of small lots for this development may set a precedent for future developers. Village Administrator Ferguson said that a planned development

agreement stands alone for a specific development. He stated there is the possibility that a developer could apply for a future planned development agreement with a request for similar lot sizes, however, the Board has the ability to review and approve those applications, as opposed to a non-planned development where they just have to live by established development standards.

Hearing no further discussion, Mayor Blancett called for a vote. Motion carried on a vote of 3-2. Aldermen Bell and Coggin voted against.

C. Discuss and consider possible action relating to the Mayor's Proposed Fiscal Year 2020 Operating Budget for the Village of Salado. (*Mayor Skip Blancett*)

Mayor Blancett spoke on the Village's limited budget, including salaries; police protection; road improvements; tree trimming; and maintenance personnel.

Village Administrator Ferguson highlighted the Proposed Fiscal Year 2020 Operating Budget, including the General Fund, Hotel/Motel Occupancy Tax Fund; Wastewater Fund; and Interest and Sinking Fund.

General Fund budget expenditures include a 3.5 percent pay adjustment for all employees (except the Village Administrator); new Police/School Resource Officer (costs shared with Salado ISD); purchase of a public restroom trailer; street/drainage improvements; tree maintenance; increased funding for Salado Volunteer Fire Department; and lease/purchase of police vehicle. He noted a 20 percent increase in projected sales tax revenue; 6.2 percent increase in property tax revenue; 17 percent increase in Mixed Beverage Tax revenue; 17 percent increase in franchise fees; 33 percent increase in building permit fees; and 5 percent increase in municipal court revenue. Breakdowns of General Fund expenditures and revenues were provided.

Hotel/Motel Occupancy Tax Fund projects a 4.8 percent increase in revenue; 3.5 percent pay adjustment for director; \$23,000 allocated for one part-time visitor's center employee and two part-time weekend trolley drivers; \$70,000 for tourism marketing campaign; and \$21,000 for Salado Art and Cultural District signage project. A breakdown of expenditures was provided.

Wastewater Fund projects a \$177,000 increase in monthly service fee revenues; \$80,000 increase in maintenance and operation costs; \$21,000 increase in electricity costs; \$10,000 increase in sludge removal, with no rate increase proposed for customers and no General Fund subsidies. A breakdown of Wastewater Fund expenditures was provided, with the bulk of expenses for maintenance and operations.

Interest and Sinking Fund reflects a 1.4 percent increase in property tax revenue and increases in principal and interest payments for the 2015 and 2018 bond issues. He noted a decrease in the debt service tax rate will be proposed. A breakdown of Interest and Sinking Funds was provided.

He reviewed the following proposed tax rates and projected revenues compared to the prior fiscal year:

Tax Rate	Proposed 2019 Tax Year	Adopted 2018 Tax Year
Property Tax Rate	0.613500	0.627600
Effective Rate	0.575200	0.522300
M&O Tax Rate	0.207000	0.209100
Debt Tax Rate	0.406500	0.418500
Rollback Tax Rate	0.613500	0.637600

He noted revenue projections reflect modest increases and the effect of increased property valuations on the amount of tax paid by taxpayers, despite some decreased tax rates.

Discussion addressed trimming of tree limbs in public rights-of-way; return on investment analysis at end of marketing campaign; wastewater M & O costs; general upward trends in various costs; possible increase in funding support to Salado Volunteer Fire Department; inability to use Hotel Occupancy Tax revenue to increase Fire Department funding and possible alternative sources; increased auditor expenses; use of Public Works funds for restroom trailer; and options to fund an additional \$10,000 annually for the Salado Volunteer Fire Department. No action was taken.

- D. Discuss and consider possible action setting the date, time and place for public hearings on the Proposed Fiscal Year 2020 Operating Budget for the Village of Salado and the proposed ad valorem tax rate to help fund the Fiscal Year 2020 Budget. (*Village Administrator*)

This item was heard after Agenda Item 5E.

Village Administrator Ferguson requested authorization to proceed with posting of notices of required public hearings recommended to be held on September 5 and September 12, 2019 at 6:30 p.m. at the Municipal Building. He reviewed proposed tax rates and advised budget/tax rate adoption is scheduled for the Board's September 19th meeting.

Alderman Cole moved to approve setting the time, date, and place for the public hearings, as recommended. Alderman Dankert seconded. Motion carried on a vote of 5-0.

- E. Discuss and consider possible action authorizing the Village Administrator to enter into an agreement with a professional lighting contractor to work on the two (2) gateway signs located on Interstate 35 within the corporate limits of the Village of Salado and to amend the Fiscal Year 2019 Operating Budget to reflect the cost for such work. (*Village Administrator*)

This item was heard after Agenda Item 5C.

Village Administrator Ferguson spoke of electrical work that needs to be completed and said two proposals, including repair plans, are being prepared for presentation to the Board. No action was taken.

6. Workshop

A workshop to discuss and consider possible changes to the Village of Salado economic development policies and procedures. (*Village Administrator*)

Village Administrator Ferguson stated the current policy makes it very difficult for businesses to qualify for incentives. He said slight modifications would make it more possible for businesses to take advantage of incentives intended to support their investment back into the community.

Discussion addressed lowering thresholds more appropriate for a small town local business environment; tiered approach for policy; and presentation of draft amended policy to the Board at its next regular meeting.

Adjournment

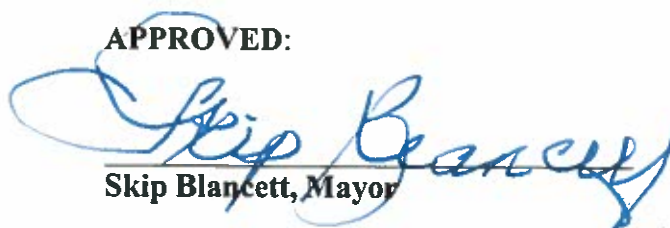
Alderman Dankert moved to adjourn. Alderman Cole seconded. Mayor Blancett called the meeting adjourned at 9:20 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 5th of September, 2019.

APPROVED:


Skip Blancett, Mayor

ATTEST:


Cara McPartland, City Secretary

